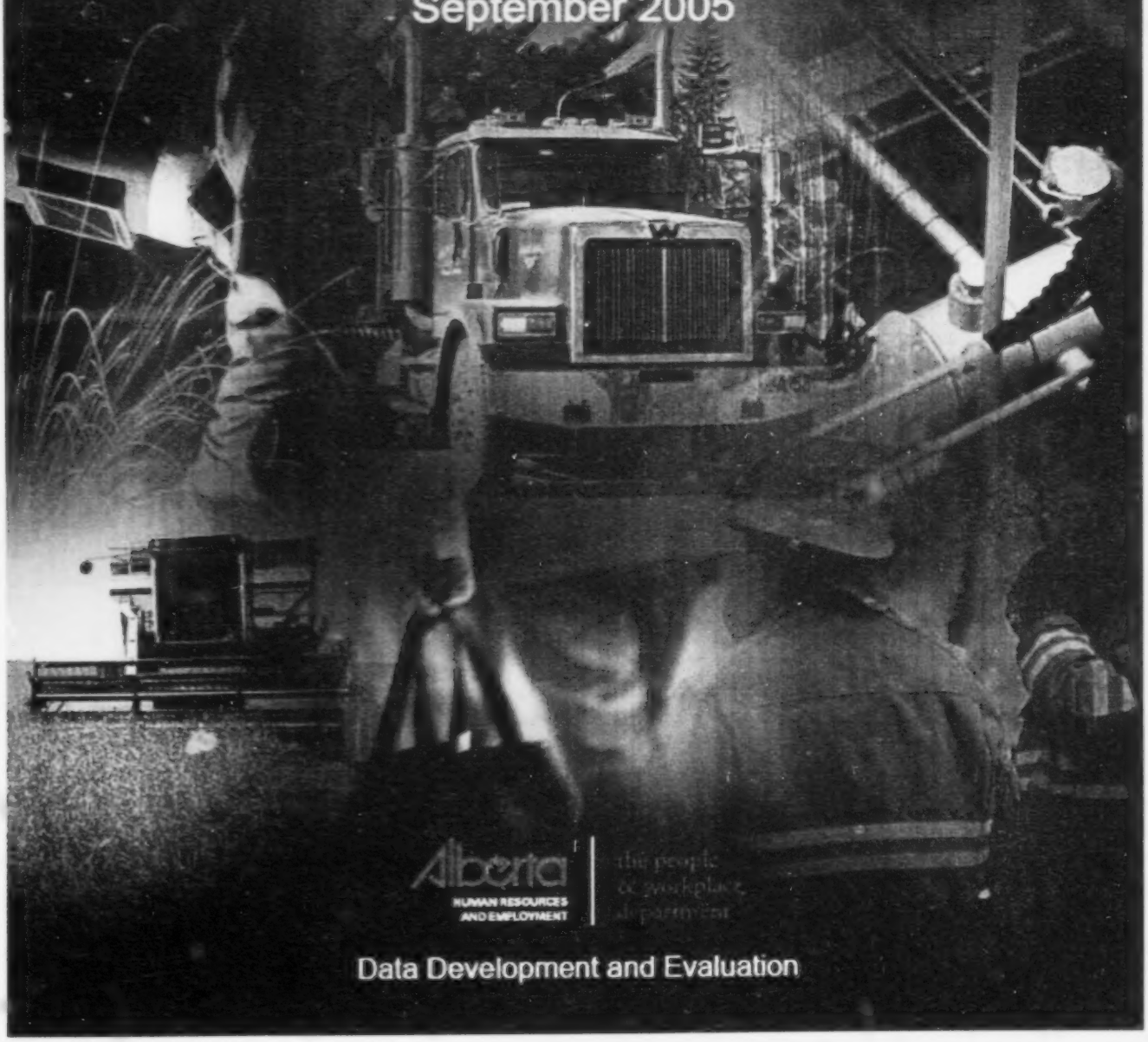
Alberta Regional Occupation Outlook: 2005-2010

Athabasca - Grande Prairie Economic Region Summary Report

September 2005



Alberta
HUMAN RESOURCES AND EMPLOYMENT

the people & workplace department

Data Development and Evaluation

Alberta Human Resources and Employment (AHRE) has continued to develop a regional occupation model that produces employment projections for 140 different occupations across Alberta and for the eight economic regions. This forecast is a useful tool for the Government of Alberta to help address related policy issues and to aid in developing responsive strategies.

The forecast summarizes expected employment by industry, occupation, and economic region. Industries are classified using the North American Industry Classification System (NAICS). Occupations are classified by the National Occupational Classification (NOC) system. For more information regarding these classification systems please visit the websites listed below.

This document provides a broad overview of the results of the forecast for the Athabasca-Grande Prairie (GP) Economic Region. A complete listing of the employment projections is available for all eight economic regions (47 occupations) and for Alberta (140 occupations) on the AHRE website listed below.

- **NAICS** - http://www.statcan.ca/english/Subjects/Standard/naics/2002/naics02-index.htm
- **NOC** - http://www23.hrdc-drhc.gc.ca/2001/e/generic/welcome.shtml
- **AHRE Employment Projections** - http://www3.gov.ab.ca/hre/lmi/occforecast.asp

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GDP is expected to grow by 2.3% annually

From 1994-2004, Alberta's economy was one of the fastest growing provincial economies in Canada. Gross Domestic Product (GDP) output in the province grew by an annual average of 3.8%. Employment in the province grew by more than 470,200 jobs over the past ten years. Over the forecast period of 2005-2010, GDP growth in Alberta is expected to average 3.3% annually. This is slightly higher than the expected average annual GDP growth of 3.2% for Canada.

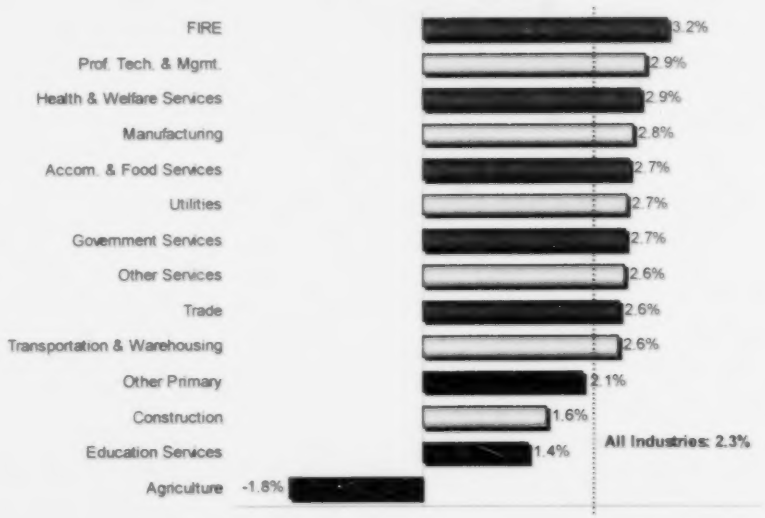
The Athabasca-GP Economic Region currently accounts for approximately 7% of Alberta's total GDP. Over the forecast period, GDP output in this region is expected to grow by 2.3% annually.

The Finance, Insurance and Real Estate industry will show strong GDP growth

The Finance, Insurance and Real Estate industry will show the highest average GDP growth of any industry, averaging 3.2% annually. Increasing residential and commercial development in the region is fuelling this growth. High GDP growth rates are also expected for the Professional, Technical and Management industry (+2.9%), the Health Care and Social Services industry (+2.9%) and the Manufacturing (+2.8%). The region is expected to experience population growth well above the provincial average, which may account for the expected growth the Government Services industry. Chart 1 shows the average GDP growth for all industries over the forecast period.

Chart 1

Projected Real GDP Growth by Industry
2005-2010 Average



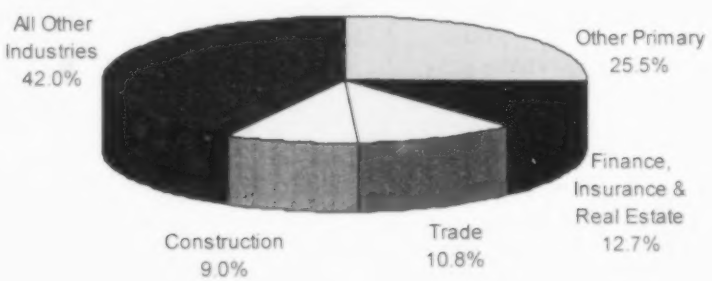
Source: Alberta Regional Occupation Outlook: 2005-2010

Two industries will account for over 38% of total GDP

In the Athabasca-GP Economic Region, the Other Primary (Oil, Gas, Mining, and Forestry) industry and the Finance, Insurance and Real Estate industry will account for over 38% of total GDP output over the forecast period. Almost 60% of the region's GDP comes from four industries (see Chart 2). Together, the Other Primary industry, the Finance, Insurance and Real Estate industry, the Trade (retail and wholesale) industry, and the Construction industry account for 58.0% of the region's total GDP.

Chart 2

Industry Shares of Total GDP, 2005-2010



Source: Alberta Regional Occupation Outlook: 2005-2010

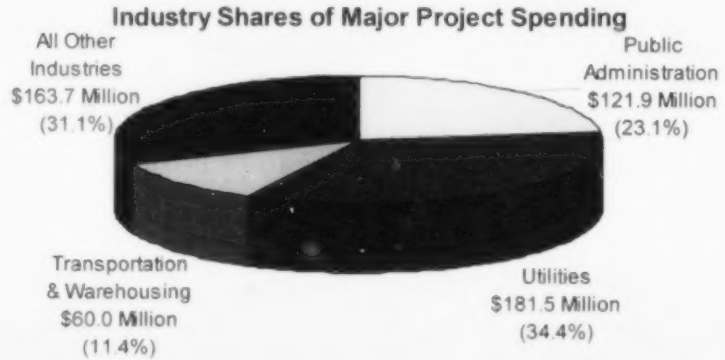
Major investment projects in the region are valued at $527 Million

One of the most important factors to consider when estimating the future growth of a regional economy is the spending on major projects. The development of these projects creates jobs during planning, construction and upon completion. The list includes projects that are proposed, under construction or recently completed in the Athabasca-GP Economic Region. Only projects with a value of at least $2 Million are included. These projects have a significant effect on employment in the Construction industry and also create employment in many other industries such as Trade and Other Primary.

Utilities related projects will account for 35% of total spending

Utilities related projects such water treatment plants, will account for approximately 35% of all major project spending in the Athabasca-GP Economic Region (see Chart 3). Approximately 70% of major project spending is split across the Utilities industry, the Public Administration industry, and the Transportation and Warehousing industry as shown in Chart 3 below. The region's largest project is the development of the Hydro-electric Weir near Fairview. This project is to commence in 2006 and be completed in 2008 at a total cost of $175 Million.

Chart 3


Industry Shares of Major Project Spending
All Other Industries $163.7 Million (31.1%)
Public Administration $121.9 Million (23.1%)
Transportation & Warehousing $60.0 Million (11.4%)
Utilities $181.5 Million (34.4%)

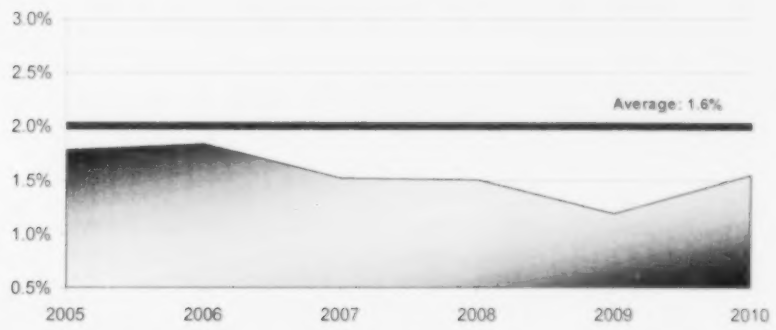
Source: Alberta Regional Occupation Outlook: 2005-2010

Employment growth is expected to average 1.6% annually

Over the forecast period of 2005-2010, employment in the Athabasca-GP Economic Region is expected to climb from 115,100 in 2004 to 126,400 in 2010. This represents an average growth rate of 1.6% annually and the creation of over 11,200 new jobs. The region's unemployment rate is expected to remain quite stable and will average 5.1% over the forecast period. As shown in Chart 4, the region's employment growth rate will be relatively stable but will begin to decline slightly beyond 2008. The lack of any long-term major projects is likely responsible for this decline. As time passes, new projects may be announced that could reverse this trend. Employment growth in this region may also change over time in response to varying commodity prices. Should high oil, gas and lumber prices continue, employment growth in the region could be higher than anticipated.

Chart 4

Average Annual Employment Growth (%), 2005-2010



Source: Alberta Regional Occupation Outlook: 2005-2010

Over 11,200 new jobs will be created in the Athabasca-GP Economic Region

The Athabasca-GP Economic Region will generate over 11,200 new jobs over the forecast period of 2005-2010, the fifth most of any region outside of the Calgary and Edmonton Economic Regions. The region will account for approximately 4.7% of all new jobs in Alberta.

The Trade industry will provide more new jobs than any other industry

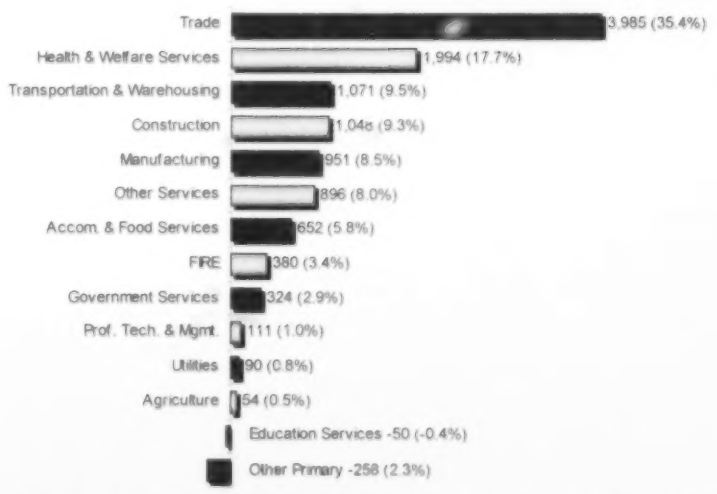
The employment outlook is broken out into fourteen different industries. The Trade industry is expected to generate over 3,980 new jobs over the forecast period, the most for any single industry (see Chart 5). Other industries generating a large number of new jobs include: Health and Welfare Services (+1,994), and Transportation and Warehousing (+1,070). The City of Grande Prairie acts as a regional hub for a large area and will be home to many new service related jobs such as those typically found in the Trade industry.

Strong employment growth rates are expected in the Trade and Health and Welfare Services industries

The region's Trade industry is expected to see employment growth of 3.6% annually over the forecast period. The Health and Welfare Services industry will average 2.9% growth. The Other Primary industry is a major employer but will actually experience a negative growth rate over the forecast period or a loss of 258 jobs.

Chart 5

New Jobs by Industry
2005-2010



Source: Alberta Regional Occupation Outlook: 2005-2010

*Share of total new jobs in brackets (%)

The Motor Vehicle and Transit Driver occupation is expected to create more new jobs than any other occupation

At the 140 occupational level, the Motor Vehicle and Transit Driver occupation is expected to create over 765 new jobs from 2005 to 2010. This classification includes truck drivers, bus and subway drivers, taxi and limousine drivers and courier service drivers. An ageing workforce in this occupation along with the long distance between markets are contributing factors to the high number of new jobs in this occupation. Other occupations expected to generate a significant number of new jobs include: Retail Salesperson and Sales Clerk (+738), Managers in Retail Trade (+550), and Other Sales and Related occupations (+490). Please see Table 1 below

High growth rates are expected in many Sales and Service related occupations

Other sales and related occupations are expected to experience the highest average growth rates in employment of any of the 140 occupations, at 4.1% annually. Other occupations that will show strong employment growth rates include: Managers in Retail Trade (+3.6%), Other Technical Occupations in Health Care (+3.6%), and Retail Salesperson and Sales Clerks (+3.5%). The demand for retail trade is the main driving factor behind the high growth of so many Sales and Service related occupations. The opening of many new retail outlets is also generating new jobs.

Table 1

New Jobs by Occupation,2 005-2010

NOC Occupations	New Jobs	Share of Total
Motor vehicle and transit drivers	765	6.8%
Retail salesperson and sales clerks	738	6.6%
Managers in retail trade	550	4.9%
Other sales and related occupations	490	4.4%
Cashiers	455	4.0%
Paralegals, social services and occs in education and religion	342	3.0%
Clerical occupations, general office skills	316	2.8%
Cleaners	316	2.8%
Machinery and transportation equipment mechanics	274	2.4%
Nurse supervisors and registered nurses	267	2.4%

Source: Alberta Regional Occupation Outlook: 2005-2010